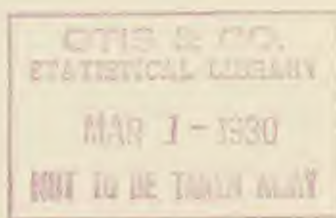


CLEVELAND PUBLIC LIBRARY  
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CORPORATION FILE

ANNUAL REPORT  
1929



THE GRAND UNION  
COMPANY

WOOLWORTH BUILDING  
NEW YORK



February 27, 1930.

TO THE STOCKHOLDERS:

Herewith is submitted the annual report of your company for 1929. As may be seen, progress has been made in both sales and profits.

During the year three companies were purchased—the Royal Importing Company with headquarters at Milwaukee, operating five branches in the advance premium business, the King Koffee Kompany of Pittsburgh, operating an advance premium business in and around Pittsburgh, and the Glenwood Food Shops, operating thirty-six grocery stores and twelve meat markets. The first two companies were purchased early in 1929, and the Glenwood Food Shops just at the close of the year. In addition to the companies purchased, we have proceeded further with the advance premium business by developing 2,844 new routes. We have also effected a material change in the grocery business by opening a considerable number of markets, and have closed a number of small grocery stores because of our belief that there is a distinct trend towards the larger food market, which in addition to groceries, handles a full line of fresh meats, fresh fish, bakery goods and fresh fruits and vegetables. Approximately nine hundred thousand dollars have been spent and capitalized in this general development, and to date experience has proven that for the purpose of adding new retail units in such localities as we find it desirable to extend our operations, this policy is more economical than would be the acquisition of small companies necessitating much larger costs for good will.

All companies purchased and all developments in 1929 were made without either borrowing or outside financing.

Commodity markets, and therefore retail prices, are generally lower than they were the greater part of 1929, but in spite of this, retail sales so far this year are between fifteen and twenty per cent higher than for the same period last year. We, therefore, look forward with optimism to the showing that your company will make in 1930.

J. SPENCER WEED,  
President.

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## CONSOLIDATED BALANCE

## ASSETS

Current assets:

Cash in banks and on hand	-	-	-	-	-	-	\$ 719,910.93
Accounts receivable, net of reserves:							
Coffee trading accounts	-	-	-	-	\$ 88,768.06		
Trade and miscellaneous	-	-	-	-	339,718.76		
Advances to agents	-	-	-	-	76,657.42	505,144.24	

## Inventories:

Merchandise, materials and supplies, at cost or market, whichever lower	\$4,029,587.97	
Premiums advanced to customers, at cost	405,814.14	4,435,402.11
Prepaid expenses, insurance, taxes, etc.		73,814.68

Total current assets	\$ 5,734,271.96
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Investments, at cost	57,002.63
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Employees' deposit funds	20,779.82
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Jones Bros. Tea Company, Inc., Liquidation Fund	15,760.98
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Real Estate, at cost	411,876.12
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Machinery, fixtures and equipment, at cost	-	-	2,474,655.57
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Less, Allowance for depreciation and revaluation	713,881.67	1,760,773.90
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Good will, trade-marks, cost of establishing new routes, etc.	-	-	4,969,666.27
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Deferred charges to operations	·   ·   ·   ·   ·   ·   ·	46,729.69
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\$13,016,861.37

We have examined the accounts of THE GRAND UNION COMPANY and its subsidiaries, and we are satisfied that the above statement sets forth correctly the financial position of the combined companies and the results of the companies' operations for the fiscal year then ended.

New York, February 21, 1930.



# PANY AND ITS SUBSIDIARIES

E SHEET, December 28, 1929

## LIABILITIES

### Current liabilities:

Acceptances under bankers' credits for importation of coffee	\$	248,439.53	
Accounts payable:			
Coffee	\$	81,818.45	
Trade		926,121.66	1,007,940.11
Accrued expenses, pay roll, insurance, property taxes, commissions, etc.			37,197.36
Employees' deposits payable			48,786.99
Accrued federal income taxes			16,732.66
Total current liabilities			1,359,096.65
Mortgages on real estate			33,500.00
Reserves for unredeemed premium tickets and contingencies			154,884.01
Minority stockholders of subsidiary company			11,325.73
			<u>\$1,558,806.39</u>

## CAPITAL

### Capital stock:

Convertible preference stock without par value:			
Authorized 500,000 shares, of which issued and outstanding at December 28, 1929, 163,275 shares of \$3 dividend series	\$8,163,750.00		
Common stock without par value:			
Authorized 1,000,000 shares, of which issued and outstanding at December 28, 1929, voting trust certificates for 261,710½ shares		943,767.00	
		<u>\$9,107,517.00</u>	
Surplus, as annexed:			
Initial, capital and earned	\$2,838,277.23		
Less, Dividends paid	487,739.25	2,350,537.98	11,458,054.98
			<u><u>\$13,016,861.37</u></u>

and its Subsidiaries as at December 28, 1929. The costs of developing new advances during 1929, have been added to the good will. We certify that, in our opinion, companies at that date, and the appended consolidated income account fairly reflects

LYBRAND, ROSS BROS. & MONTGOMERY  
Accountants and Auditors

## CONSOLIDATED INCOME ACCOUNT

for the year ended December 28, 1929

Sales to customers	-	-	-	-	-	-	-	-	-	\$36,943,122.40
Cost of sales	-	-	-	-	-	-	-	-	-	28,959,162.95
Gross profit	-	-	-	-	-	-	-	-	-	<u>7,983,959.45</u>
Selling and general expenses:										
Store expenses, salaries of clerks, managers and superintendents and other expenses	-	-	-	-	-	-	-	-	-	\$6,210,303.39
General expenses, including allowance for federal income taxes	-	-	-	-	-	-	-	-	-	690,875.83
Depreciation of distributing equipment, etc.	-	-	-	-	-	-	-	-	-	210,767.83
										<u>7,111,947.05</u>
Profit from operations	-	-	-	-	-	-	-	-	-	872,012.40
Add, Miscellaneous income, interest, etc.	-	-	-	-	-	-	-	-	-	149,373.10
										<u>149,373.10</u>
Net income	-	-	-	-	-	-	-	-	-	<u><u>\$ 1,021,385.50</u></u>

The cost of establishing new business during 1929, represented by 2,844 additional advance premium sales routes and 113 new store locations, has been capitalized as good will.

## CONSOLIDATED SURPLUS

December 28, 1929

Initial surplus adjusted	-	-	-	-	-	-	-	-	-	\$ 939,286.37
Capital surplus	-	-	-	-	-	-	-	-	-	720,070.80
Earned Surplus:										
Balance, December 29, 1928, adjusted	-	-	-	-	-	-	-	-	-	\$ 157,534.56
Net income for year ended December 28, 1929	-	-	-	-	-	-	-	-	-	1,021,385.50
										<u>1,178,920.06</u>
Less, Dividends paid	-	-	-	-	-	-	-	-	-	487,739.25
										<u>691,180.81</u>
Total Surplus	-	-	-	-	-	-	-	-	-	<u><u>\$ 2,350,537.98</u></u>

## OFFICERS

J. SPENCER WEED, *President*

LANSING P. SHIELD, *Vice-President*

O. B. WESTPHAL, *Vice-President*

W. C. McFEELY, *Secretary*

H. G. BYINGTON, *Treasurer*

## DIRECTORS

RALPH T. CRANE   /   /   /   /   /   /   *Brown Brothers & Co.*

JOHN FOSTER DULLES   /   /   /   /   /   /   *Sullivan & Cromwell*

RAY MORRIS   /   /   /   /   /   /   *Brown Brothers & Co.*

JOHN W. PRENTISS   /   /   /   /   /   /   *Hornblower & Weeks*

J. A. SISTO   /   /   /   /   /   /   /   *J. A. Sisto & Co.*

J. SPENCER WEED   /   /   /   /   /   /   /   *President*

